

HOW TO MAKE SMART BUSINESS DECISIONS THAT MAKE YOU MONEY – A TRANSCRIPT

Your business will succeed or fail depending on your decision-making skills. If you're like me, you're often so eager to get on with it that you don't take the time to weigh the options before charging on. It is something that I continuously guard against.

I'm Doug Daniel and this is Work Smart Formula.

Let's jump into the decision making process. After all, making decisions is the most important thinking you'll do; it's worth doing it well.

Now don't feel insulted; it's harder than you think. What's even harder is to make it a life-long habit.

Thinking first doesn't happen enough. There's a reason.

Henry Ford said it best. "Thinking is the hardest work there is, which is probably the reason so few engage in it."

I dedicate these videos, posts, PDFs and checklists to making decisions easier in all aspects of successful entrepreneurship. I'll show you how to make the smart decisions and do the critical planning that leads to building a fast growing online business.

It doesn't matter if your business sells services, downloadable products or physical products; the secret to building any business rapidly is marketing. So let's focus on marketing decisions.

Superb marketing does not require a massive budget, but it does insist that you make smart decisions.

I learned how to make good, solid decisions in the most unlikely of places. This technique has worked well for me in several radically different environments.

As a young Army officer in Ranger training, I was taught that even when unexpectedly attacked, to assess the situation, evaluate alternative courses of action, and only then—act. This held me in good stead through three special ops combat commands.

When undergoing training to become a multi-engine pilot I was taught the same concept but in different words.

Before you can make a decision, you have to determine what you're trying to achieve... what is your goal? If it isn't measurable you never know when you have reached it. It is amazingly easy to lose sight of the objective. With a clear goal, evaluating alternatives becomes much more straightforward. If you have a team, even if it is just two of you, a clearly stated goal helps keep everyone working together.

Since assessing the situation, evaluating alternatives before acting worked so well for me in radically different environments, I naturally applied it in my roles as technical manager, business executive and entrepreneur.

The most important task in assessing the situation is determining what's important and what's not. For example, in selecting a market niche, you might need to know among many other things:

- Who are the ideal clients that you would really enjoy working with?
- How many are there?
- How big is the total niche?
- What are your ideal clients looking for?
- What do they need?
- How do you fulfill that need by selling them what they want?
- ...

In contrast, when selecting an advertising medium you might start with:

- What is the likely return per advertising dollar?
- Where does my most successful competitor advertise?
- What demographic information can I get from each potential medium?
- How much will each new list member cost?
- What would the quality of a list member likely to be?
- ...

Each business decision will demand a unique set of questions that, when answered, will give you important insights.

Evaluating alternatives would be impossible without first assessing the situation. The more thoroughly you assess any situation, the easier it will be to decide on a sound course of action. **But** all of us

need to guard against studying a problem to death and never making a decision. In business, all most all decisions seem to be made with imperfect knowledge.

A business decision you will almost certainly have to make is how and where to advertise. Let's work through a hypothetical case.

Your goal is to sell \$1,997 online course with a gross ROI of 50% or more.

Situation:

- You're unknown.
- You have no email lists.
- You've got what you believe to be a great online course that is exactly what your ideal client needs.
- You don't know how your course will be received.
- You discover that the heavy weights in your field don't buy ads at all; they email their existing clientele.

Alternative courses of action:

- Hope that people will find your website and buy your product.
- Ask entrepreneurs with established businesses and large mailing lists to mail for you for 50% of the revenue.
- Advertise in a publication that you believe your ideal clients are likely to read.
- Advertise in social media that lets you carefully select what you think will be the optimal demographic.
- Build a responsive list of followers who trust you and believe in you.

Evaluating alternative courses of action:

(A technique that I strongly recommend is to study and adopt techniques used by highly successful entrepreneurs.)

Here's what you'll find when you evaluate each alternative:

- Almost no one will visit your unadvertised website. Of those few who do you'll discover that virtually no one will pay two grand to a stranger no matter how cool the website may be.
- When you ask any successful entrepreneur to be you joint venture partner, they'll want to know how well your product is selling. If it's not selling, end of conversation.
- If you advertise on the two platforms that give you the very best demographic segmentation, Facebook or YouTube, it won't help. Your click-to-sales ratio will be so pathetic at the \$2,000-level that you can easily spend a fortune for zero sales.

- So you do the right thing: you look at the business models of others who sell similar products in closely related niches. You learn as much as you can about their products, pricing structure, advertising channels, customer support, etc. You discover that they have all built responsive lists of followers who trust them, believe in them and repeatedly buy their offerings.
- You discover that they started by giving away useful, actionable content, selling low-priced items and slowly migrating into the big time. Most belong to informal consortiums that email for each other in exchange for typically 50% of the revenue.

Your decision: To follow the proven business model of successful, million-dollar plus online entrepreneurs. You decide to give quality, build rapport with your followers, sell them small, high-quality products and work up to the more expensive products sold either directly or via joint venture partners (probably both).

How to go from free to small to big is the subject of several other videos.

In this video you learned:

- Clearly set measurable goals.
- Carefully assess the situation by asking meaningful questions.
- List reasonable courses of action.
- Objectively evaluate alternative courses of action remembering to study what successful business do in similar circumstances.
- Make your decision.

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